

By the Committees on Appropriations; and Finance and Tax; and  
Senator Smith

576-04827-16

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1 A bill to be entitled

2 An act relating to community redevelopment; amending  
3 s. 163.387, F.S.; specifying uses of redevelopment  
4 trust fund moneys for certain community redevelopment  
5 agencies that support youth centers; defining the  
6 terms "youth center" and "year-round"; amending s.  
7 220.03, F.S.; providing definitions related to  
8 community contribution tax credits that may apply to  
9 business firms against certain income tax liabilities;  
10 amending s. 212.08, F.S.; providing definitions  
11 related to community contribution tax credits that may  
12 apply against sales and use tax liabilities; amending  
13 s. 624.5105, F.S.; providing definitions related to  
14 community contribution tax credits that may apply  
15 against certain premium tax liabilities; providing an  
16 effective date.

17  
18 Be It Enacted by the Legislature of the State of Florida:

19  
20 Section 1. Subsection (6) of section 163.387, Florida  
21 Statutes, is amended to read:

22 163.387 Redevelopment trust fund.—

23 (6) (a) Moneys in the redevelopment trust fund may be  
24 expended from time to time for undertakings of a community  
25 redevelopment agency as described in the community redevelopment  
26 plan for the following purposes, including, but not limited to:

27 1. ~~(a)~~ Administrative and overhead expenses necessary or  
28 incidental to the implementation of a community redevelopment  
29 plan adopted by the agency.

30 2. ~~(b)~~ Expenses of redevelopment planning, surveys, and  
31 financial analysis, including the reimbursement of the governing

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32 body or the community redevelopment agency for such expenses  
33 incurred before the redevelopment plan was approved and adopted.

34 ~~3.(e)~~ The acquisition of real property in the redevelopment  
35 area.

36 ~~4.(d)~~ The clearance and preparation of any redevelopment  
37 area for redevelopment and relocation of site occupants within  
38 or outside the community redevelopment area as provided in s.  
39 163.370.

40 ~~5.(e)~~ The repayment of principal and interest or any  
41 redemption premium for loans, advances, bonds, bond anticipation  
42 notes, and any other form of indebtedness.

43 ~~6.(f)~~ All expenses incidental to or connected with the  
44 issuance, sale, redemption, retirement, or purchase of bonds,  
45 bond anticipation notes, or other form of indebtedness,  
46 including funding of any reserve, redemption, or other fund or  
47 account provided for in the ordinance or resolution authorizing  
48 such bonds, notes, or other form of indebtedness.

49 ~~7.(g)~~ The development of affordable housing within the  
50 community redevelopment area.

51 ~~8.(h)~~ The development of community policing innovations.

52 (b) For any community redevelopment agency located in a  
53 county as defined in s. 125.011(1), the community redevelopment  
54 agency shall expend no less than 5 percent of the trust fund  
55 revenues annually to support youth centers if:

56 1. More than 50 percent of the persons younger than 18  
57 years of age living in the community redevelopment area served  
58 by the agency are in families with incomes below the federal  
59 poverty level;

60 2. The youth center submits a written request for support

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61 to the community redevelopment agency; and

62 3. The expenditures do not materially impair any bonds  
63 outstanding as of March 11, 2016.

64  
65 As used in this paragraph, the term "youth center" means a  
66 facility that is owned and operated by a governmental entity or  
67 a corporation not for profit registered pursuant to chapter 617,  
68 the primary purpose of which is to provide year-round  
69 supplemental educational programs, recreational and after-school  
70 activities, counseling, and social and adult transitional  
71 programming and other services to children 5 to 18 years of age  
72 and adults 18 to 24 years of age; and that has operated for at  
73 least 2 years before its request for support from the community  
74 redevelopment agency. The term includes indoor recreational  
75 facilities, as defined in s. 402.302, which are owned and  
76 operated by a governmental entity or corporation not for profit  
77 registered pursuant to chapter 617. The term does not include  
78 public or private schools, child care facilities as defined in  
79 s. 402.302, or private prekindergarten providers as defined in  
80 s. 1002.51. As used in this paragraph, the term "year-round"  
81 means operating a minimum of 225 service days per year. The  
82 youth center must be open and accessible to the general public  
83 for community-based meetings focused on educational  
84 opportunities and providing college, career, and vocational  
85 readiness programming.

86 Section 2. Paragraph (d) of subsection (1) of section  
87 220.03, Florida Statutes, is amended to read:

88 220.03 Definitions.—

89 (1) SPECIFIC TERMS.—When used in this code, and when not

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90 otherwise distinctly expressed or manifestly incompatible with  
91 the intent thereof, the following terms shall have the following  
92 meanings:

93 (d) "Community Contribution" means the grant by a business  
94 firm of any of the following items:

95 1. Cash or other liquid assets.

96 2. Real property, which for purposes of this subparagraph  
97 includes 100 percent ownership of a real property holding  
98 company. The term "real property holding company" means a  
99 Florida entity, such as a Florida limited liability company,  
100 that:

101 a. Is wholly owned by the business firm.

102 b. Is the sole owner of real property, as defined in s.  
103 192.001(12), located in the state.

104 c. Is disregarded as an entity for federal income tax  
105 purposes pursuant to 26 C.F.R. s. 301.7701-3(b)(1)(ii).

106 d. At the time of contribution to an eligible sponsor, has  
107 no material assets other than the real property and any other  
108 property that qualifies as a community contribution.

109 3. Goods or inventory.

110 4. Other physical resources as identified by the  
111 department.

112

113 This paragraph expires June 30, 2018.

114 Section 3. Paragraph (p) of subsection (5) of section  
115 212.08, Florida Statutes, is amended to read:

116 212.08 Sales, rental, use, consumption, distribution, and  
117 storage tax; specified exemptions.—The sale at retail, the  
118 rental, the use, the consumption, the distribution, and the

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119 storage to be used or consumed in this state of the following  
120 are hereby specifically exempt from the tax imposed by this  
121 chapter.

122 (5) EXEMPTIONS; ACCOUNT OF USE.—

123 (p) *Community contribution tax credit for donations.*—

124 1. Authorization.—Persons who are registered with the  
125 department under s. 212.18 to collect or remit sales or use tax  
126 and who make donations to eligible sponsors are eligible for tax  
127 credits against their state sales and use tax liabilities as  
128 provided in this paragraph:

129 a. The credit shall be computed as 50 percent of the  
130 person's approved annual community contribution.

131 b. The credit shall be granted as a refund against state  
132 sales and use taxes reported on returns and remitted in the 12  
133 months preceding the date of application to the department for  
134 the credit as required in sub-subparagraph 3.c. If the annual  
135 credit is not fully used through such refund because of  
136 insufficient tax payments during the applicable 12-month period,  
137 the unused amount may be included in an application for a refund  
138 made pursuant to sub-subparagraph 3.c. in subsequent years  
139 against the total tax payments made for such year. Carryover  
140 credits may be applied for a 3-year period without regard to any  
141 time limitation that would otherwise apply under s. 215.26.

142 c. A person may not receive more than \$200,000 in annual  
143 tax credits for all approved community contributions made in any  
144 one year.

145 d. All proposals for the granting of the tax credit require  
146 the prior approval of the Department of Economic Opportunity.

147 e. The total amount of tax credits which may be granted for

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148 all programs approved under this paragraph, s. 220.183, and s.  
149 624.5105 is \$18.4 million in the 2015-2016 fiscal year, \$21.4  
150 million in the 2016-2017 fiscal year, and \$21.4 million in the  
151 2017-2018 fiscal year for projects that provide housing  
152 opportunities for persons with special needs or homeownership  
153 opportunities for low-income households or very-low-income  
154 households and \$3.5 million annually for all other projects. As  
155 used in this paragraph, the term "person with special needs" has  
156 the same meaning as in s. 420.0004 and the terms "low-income  
157 person," "low-income household," "very-low-income person," and  
158 "very-low-income household" have the same meanings as in s.  
159 420.9071.

160 f. A person who is eligible to receive the credit provided  
161 in this paragraph, s. 220.183, or s. 624.5105 may receive the  
162 credit only under one section of the person's choice.

163 2. Eligibility requirements.—

164 a. A community contribution by a person must be in the  
165 following form:

166 (I) Cash or other liquid assets;

167 (II) Real property, including 100 percent ownership of a  
168 real property holding company;

169 (III) Goods or inventory; or

170 (IV) Other physical resources identified by the Department  
171 of Economic Opportunity.

172

173 For purposes of this subparagraph, the term "real property  
174 holding company" means a Florida entity, such as a Florida  
175 limited liability company, that is wholly owned by the person;  
176 is the sole owner of real property, as defined in s.

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177 192.001(12), located in the state; is disregarded as an entity  
178 for federal income tax purposes pursuant to 26 C.F.R. s.  
179 301.7701-3(b)(1)(ii); and at the time of contribution to an  
180 eligible sponsor, has no material assets other than the real  
181 property and any other property that qualifies as a community  
182 contribution.

183 b. All community contributions must be reserved exclusively  
184 for use in a project. As used in this sub-subparagraph, the term  
185 "project" means activity undertaken by an eligible sponsor which  
186 is designed to construct, improve, or substantially rehabilitate  
187 housing that is affordable to low-income households or very-low-  
188 income households; designed to provide housing opportunities for  
189 persons with special needs; designed to provide commercial,  
190 industrial, or public resources and facilities; or designed to  
191 improve entrepreneurial and job-development opportunities for  
192 low-income persons. A project may be the investment necessary to  
193 increase access to high-speed broadband capability in a rural  
194 community that had an enterprise zone designated pursuant to  
195 chapter 290 as of May 1, 2015, including projects that result in  
196 improvements to communications assets that are owned by a  
197 business. A project may include the provision of museum  
198 educational programs and materials that are directly related to  
199 a project approved between January 1, 1996, and December 31,  
200 1999, and located in an area which was in an enterprise zone  
201 designated pursuant to s. 290.0065 as of May 1, 2015. This  
202 paragraph does not preclude projects that propose to construct  
203 or rehabilitate housing for low-income households or very-low-  
204 income households on scattered sites or housing opportunities  
205 for persons with special needs. With respect to housing,

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206 contributions may be used to pay the following eligible special  
207 needs, low-income, and very-low-income housing-related  
208 activities:

209 (I) Project development impact and management fees for  
210 special needs, low-income, or very-low-income housing projects;

211 (II) Down payment and closing costs for persons with  
212 special needs, low-income persons, and very-low-income persons;

213 (III) Administrative costs, including housing counseling  
214 and marketing fees, not to exceed 10 percent of the community  
215 contribution, directly related to special needs, low-income, or  
216 very-low-income projects; and

217 (IV) Removal of liens recorded against residential property  
218 by municipal, county, or special district local governments if  
219 satisfaction of the lien is a necessary precedent to the  
220 transfer of the property to a low-income person or very-low-  
221 income person for the purpose of promoting home ownership.  
222 Contributions for lien removal must be received from a  
223 nonrelated third party.

224 c. The project must be undertaken by an "eligible sponsor,"  
225 which includes:

226 (I) A community action program;

227 (II) A nonprofit community-based development organization  
228 whose mission is the provision of housing for persons with  
229 special needs, low-income households, or very-low-income  
230 households or increasing entrepreneurial and job-development  
231 opportunities for low-income persons;

232 (III) A neighborhood housing services corporation;

233 (IV) A local housing authority created under chapter 421;

234 (V) A community redevelopment agency created under s.



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- 235 163.356;
- 236 (VI) A historic preservation district agency or  
237 organization;
- 238 (VII) A regional workforce board;
- 239 (VIII) A direct-support organization as provided in s.  
240 1009.983;
- 241 (IX) An enterprise zone development agency created under s.  
242 290.0056;
- 243 (X) A community-based organization incorporated under  
244 chapter 617 which is recognized as educational, charitable, or  
245 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code  
246 and whose bylaws and articles of incorporation include  
247 affordable housing, economic development, or community  
248 development as the primary mission of the corporation;
- 249 (XI) Units of local government;
- 250 (XII) Units of state government; or
- 251 (XIII) Any other agency that the Department of Economic  
252 Opportunity designates by rule.

253

254 A contributing person may not have a financial interest in the  
255 eligible sponsor.

256 d. The project must be located in an area which was in an  
257 enterprise zone designated pursuant to chapter 290 as of May 1,  
258 2015, or a Front Porch Florida Community, unless the project  
259 increases access to high-speed broadband capability in a rural  
260 community that had an enterprise zone designated pursuant to  
261 chapter 290 as of May 1, 2015, but is physically located outside  
262 the designated rural zone boundaries. Any project designed to  
263 construct or rehabilitate housing for low-income households or

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264 very-low-income households or housing opportunities for persons  
265 with special needs is exempt from the area requirement of this  
266 sub-subparagraph.

267 e.(I) If, during the first 10 business days of the state  
268 fiscal year, eligible tax credit applications for projects that  
269 provide housing opportunities for persons with special needs or  
270 homeownership opportunities for low-income households or very-  
271 low-income households are received for less than the annual tax  
272 credits available for those projects, the Department of Economic  
273 Opportunity shall grant tax credits for those applications and  
274 grant remaining tax credits on a first-come, first-served basis  
275 for subsequent eligible applications received before the end of  
276 the state fiscal year. If, during the first 10 business days of  
277 the state fiscal year, eligible tax credit applications for  
278 projects that provide housing opportunities for persons with  
279 special needs or homeownership opportunities for low-income  
280 households or very-low-income households are received for more  
281 than the annual tax credits available for those projects, the  
282 Department of Economic Opportunity shall grant the tax credits  
283 for those applications as follows:

284 (A) If tax credit applications submitted for approved  
285 projects of an eligible sponsor do not exceed \$200,000 in total,  
286 the credits shall be granted in full if the tax credit  
287 applications are approved.

288 (B) If tax credit applications submitted for approved  
289 projects of an eligible sponsor exceed \$200,000 in total, the  
290 amount of tax credits granted pursuant to sub-sub-sub-  
291 subparagraph (A) shall be subtracted from the amount of  
292 available tax credits, and the remaining credits shall be

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293 granted to each approved tax credit application on a pro rata  
294 basis.

295 (II) If, during the first 10 business days of the state  
296 fiscal year, eligible tax credit applications for projects other  
297 than those that provide housing opportunities for persons with  
298 special needs or homeownership opportunities for low-income  
299 households or very-low-income households are received for less  
300 than the annual tax credits available for those projects, the  
301 Department of Economic Opportunity shall grant tax credits for  
302 those applications and shall grant remaining tax credits on a  
303 first-come, first-served basis for subsequent eligible  
304 applications received before the end of the state fiscal year.  
305 If, during the first 10 business days of the state fiscal year,  
306 eligible tax credit applications for projects other than those  
307 that provide housing opportunities for persons with special  
308 needs or homeownership opportunities for low-income households  
309 or very-low-income households are received for more than the  
310 annual tax credits available for those projects, the Department  
311 of Economic Opportunity shall grant the tax credits for those  
312 applications on a pro rata basis.

313 3. Application requirements.-

314 a. An eligible sponsor seeking to participate in this  
315 program must submit a proposal to the Department of Economic  
316 Opportunity which sets forth the name of the sponsor, a  
317 description of the project, and the area in which the project is  
318 located, together with such supporting information as is  
319 prescribed by rule. The proposal must also contain a resolution  
320 from the local governmental unit in which the project is located  
321 certifying that the project is consistent with local plans and

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322 regulations.

323       b. A person seeking to participate in this program must  
324 submit an application for tax credit to the Department of  
325 Economic Opportunity which sets forth the name of the sponsor, a  
326 description of the project, and the type, value, and purpose of  
327 the contribution. The sponsor shall verify, in writing, the  
328 terms of the application and indicate its receipt of the  
329 contribution, and such verification must accompany the  
330 application for tax credit. The person must submit a separate  
331 tax credit application to the Department of Economic Opportunity  
332 for each individual contribution that it makes to each  
333 individual project.

334       c. A person who has received notification from the  
335 Department of Economic Opportunity that a tax credit has been  
336 approved must apply to the department to receive the refund.  
337 Application must be made on the form prescribed for claiming  
338 refunds of sales and use taxes and be accompanied by a copy of  
339 the notification. A person may submit only one application for  
340 refund to the department within a 12-month period.

341       4. Administration.—

342       a. The Department of Economic Opportunity may adopt rules  
343 necessary to administer this paragraph, including rules for the  
344 approval or disapproval of proposals by a person.

345       b. The decision of the Department of Economic Opportunity  
346 must be in writing, and, if approved, the notification shall  
347 state the maximum credit allowable to the person. Upon approval,  
348 the Department of Economic Opportunity shall transmit a copy of  
349 the decision to the department.

350       c. The Department of Economic Opportunity shall

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351 periodically monitor all projects in a manner consistent with  
352 available resources to ensure that resources are used in  
353 accordance with this paragraph; however, each project must be  
354 reviewed at least once every 2 years.

355 d. The Department of Economic Opportunity shall, in  
356 consultation with the statewide and regional housing and  
357 financial intermediaries, market the availability of the  
358 community contribution tax credit program to community-based  
359 organizations.

360 5. Expiration.—This paragraph expires June 30, 2018;  
361 however, any accrued credit carryover that is unused on that  
362 date may be used until the expiration of the 3-year carryover  
363 period for such credit.

364 Section 4. Paragraph (a) of subsection (5) of section  
365 624.5105, Florida Statutes, is amended to read:

366 624.5105 Community contribution tax credit; authorization;  
367 limitations; eligibility and application requirements;  
368 administration; definitions; expiration.—

369 (5) DEFINITIONS.—As used in this section, the term:

370 (a) "Community contribution" means the grant by an insurer  
371 of any of the following items:

372 1. Cash or other liquid assets.

373 2. Real property, including 100 percent ownership of a real  
374 property holding company.

375 3. Goods or inventory.

376 4. Other physical resources which are identified by the  
377 department.

378  
379 For purposes of this paragraph, the term "real property holding

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380 company" means a Florida entity, such as a Florida limited  
381 liability company, that is wholly owned by the insurer; is the  
382 sole owner of real property, as defined in s. 192.001(12),  
383 located in the state; is disregarded as an entity for federal  
384 income tax purposes pursuant to 26 C.F.R. s. 301.7701-  
385 3(b)(1)(ii); and at the time of contribution to an eligible  
386 sponsor, has no material assets other than the real property and  
387 any other property that qualifies as a community contribution.

388 Section 5. This act shall take effect July 1, 2016.